DEFINING THE RIGHT CAPITAL INVESTMENT TARGET

One of the most critical steps in any place branding effort is to get clarity on who you are trying to communicate with. Lack of target clarity leads to inefficient investment and ineffective promotion. Taking the time to get the target definition right pays dividends by helping you make operational choices on which media to include in your promotional mix, and importantly which not to include.

A good target definition must be able to pass these three tests –

1. **Test of Sufficiency**. Is the target group large enough to deliver the results you need? Are there enough members in the group that (with reasonable assumptions) your capital attraction, retention, or expansion targets can actually be achieved?

   One common mistake is to define a target so narrowly that it requires above average success to deliver the goal. This allows no margin for error and the probability of success is low.

   Another common mistake is to assume that broadly defined target groups deliver more success than narrowly defined. Typically only a small percent of your possible target will actually contribute to delivering your goal. The better you can define the target, the easier it will be to communicate efficiently with the most important members of the broader group.

   A good working rule of thumb is to make certain the target is large enough that you can miss your base lead conversion assumption by –20% and still hit your capital investment objective.

2. **Test of Meaningfulness**. Is your location business climate and asset portfolio relevant and appealing to the target group you have defined? What is your right to win with this group versus your location competition? Does your location meet the important needs of your target? Remember, needs are not only functional, they can also be emotional.

3. **Test of Actionability**. Do you know the target well enough to be able to translate your location promise into a compelling message and communication plan? Do you have sufficient resources allocated to deliver a sustainable reach and frequency of message to create attention, interest and desire?

   One mistake to avoid is creating a communication plan that fits your budget, but under powers your message. It would be a much better decision to more narrowly focus your target so you can invest more per target, and then readjust your performance expectation.